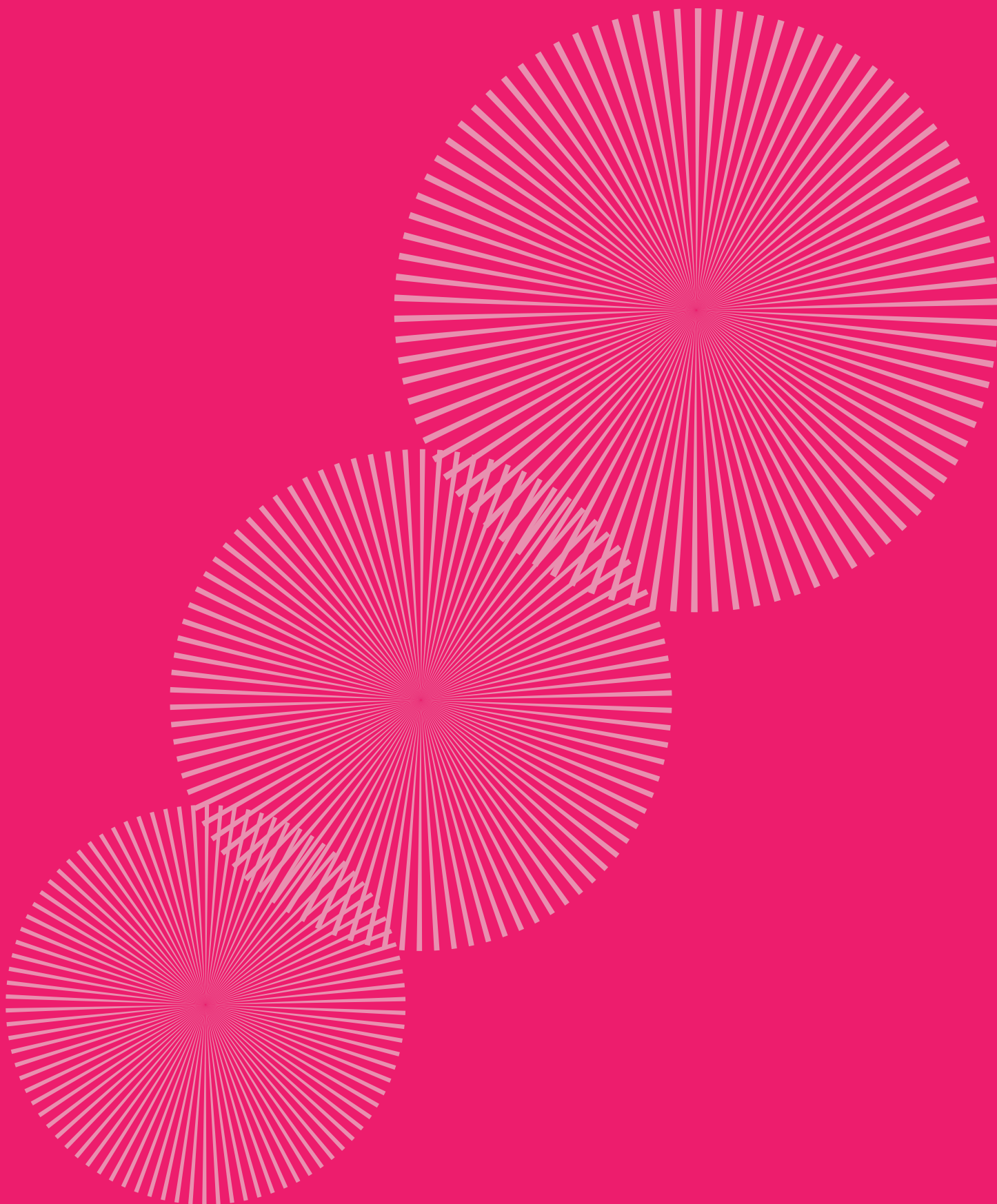


# PAISALO

EASY LOAN आसान लोन



**PAISALO DIGITAL LIMITED**

ANNUAL REPORT | 2021–22

Success is not a destination,  
but a journey for the future.



Reporting Principles

The financial and statutory data disclosed in this Report is in line with the requirements of the Companies Act, 2013; Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards.

Forward-looking Statements

Certain statements in this Report relating to the Company’s business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘plans’, ‘outlook’ and other words of

similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company’s actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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This Annual Report can be accessed at [www.paisalo.in](http://www.paisalo.in)



# Dear Shareholders,

THE PALL OF GLOOM continued to subdue virtually all spheres of human existence in the year gone by. The world continued to battle with raging pandemic, government actions, a strong recovery after a sharp and deep global recession, mounting inflation, a war in Ukraine and dramatic economic sanctions against Russia. All this turmoil has serious ramifications for the world—with the potential restructuring of the global order and indirectly on our company.

But during this difficult time, we put aside our differences to offer solutions and work with others in the world to come together in defence of democracy and essential freedoms, including free enterprise. These difficult times has seen India work in unison with other countries around the globe, especially during instances of conflict and crisis. This juncture is also a moment when our country needs to work across the private and public sectors to lead. Paisalo as a company has historically always continued to work and will do its part to ensure the safety and security of the country.

Although I begin this annual letter to shareholders in a challenging landscape, I remain proud of what our company and our thousands of employees around the country have achieved, collectively and individually. As you know, we have championed the essential role of Co-Lending in the community—its potential for bringing people together, for

enabling companies and individuals to reach for their dreams, and for being a source of strength.

Throughout these past two challenging years, we never stopped doing all the things we should be doing to serve our borrowers and our community.

Looking back on previous year and the past three decades—starting from my time as CEO in 1989— it is clear that our financial discipline, constant investment in innovation, and ongoing development of our people are what enabled us to persevere in our steadfast dedication to help borrowers and communities throughout the country.

Financial Year 2021–2022 was another strong year for Paisalo, with the firm generating record revenue in our business history. We earned INR 793 million in net income on revenue of INR 3,922 million versus INR 609 million on revenue of INR 3,115 million in FY 2021, reflecting strong underlying performance across our business. Our market share continued to grow across our business, and we continued to make significant investments in products, people and technology, all the while maintaining credit discipline and a robust balance sheet. In total, we extended credit of INR 16,343 million for micro, small and medium individuals, businesses, and women entrepreneurs.

I would like to reiterate some steadfast principles that are worth focusing upon. The first is that while Paisalo stock

is owned by large institutions, pension plans, mutual funds and directly by individual investors, in almost all cases, the ultimate beneficiaries are individuals in our communities. More than 89 million people in the country invest in stocks, and a percentage of these individuals, in one way or another, own Paisalo's shares. Many of these people are veterans, teachers, police officers, firefighters, healthcare workers, senior citizens or those saving for a home, education or retirement. Our management team goes to work every day recognizing the enormous responsibility that we have towards our shareholders.

Secondly, while we do not run the company worrying about the stock price in the short run, in the long run our stock price is a measure of the progress we have made over the years. This progress is a function of continual investments in our people, systems and products, in good and bad times, to build our capabilities. When looking back at the last five years these investments have resulted in our stock's outperformance of the Sensex. These important investments will also drive our company's future prospects and position it to grow and prosper for decades.

We have consistently described to you, our shareholders, the basic principles and strategies we use to build this company— from maintaining a robust balance sheet, constantly investing and nurturing talent to fully satisfying regulators, continually improving risk, governance and controls, and serving customers and clients while lifting up communities.

If you look deeper, you will find that our success and accomplishments are founded on our commitment to our shareholders. Shareholder value can be built only if you maintain a healthy and vibrant company, which means doing a good job of taking care of your customers, employees and communities. Conversely, how can you have a healthy company if you neglect any of these stakeholders? As we have learned in 2021, there are myriad ways an institution can demonstrate its compassion for its employees and its communities while still upholding shareholder value.

Adhering to our basic principles and strategies allows us to drive good organic growth and properly manage our capital (including dividends), as we have consistently demonstrated over the past decades.

There are two other critical points I would like to make. We strive to build enduring businesses, and we are not a conglomerate— our business relies on and benefit from each other. Both of these factors help generate our returns.

All of our company's success is predicated upon the extraordinary conditions our silent partner—the Indian Government—creates. We recommend to all shareholders that when you see the Indian flag, say thank you. Paisalo is a healthy and thriving company, and we always want to give back and pay our fair share— and we want it to have the greatest impact. To give you an idea of our taxes: In the last 10 years, we paid INR 2,548.33 million in taxes.

Finally, the basis of our success is our people. They are the ones who serve our borrowers and communities, build the technology, make the strategic decisions, manage the risks, determine our investments and drive innovation. Whatever your view is of the world's complexity and the risks and opportunities ahead, having a great team of people— with guts, brains, integrity and enormous capabilities to navigate personally challenging circumstances while maintaining high standards of professional excellence— is what ensures our prosperity, now and in the future.

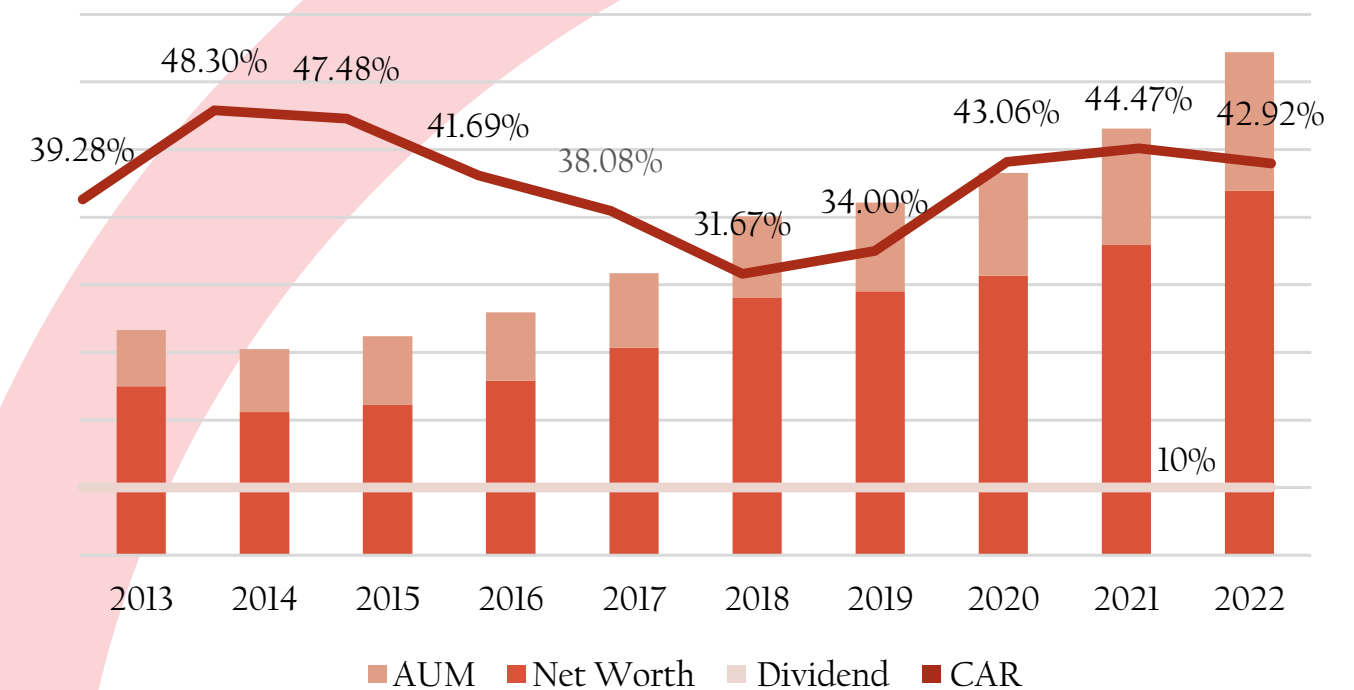
Within this letter, I discuss the following:

1. Geopolitical and Economic Challenges
2. Competitive Threat
3. Understanding the Community
4. Management Lesson

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Paisalo vs Sensex



## Geopolitical and Economic Challenges

India and the rest of the world are facing the confluence of three important and conflicting forces: 1) a strong Indian economy, which, we hope, has COVID-19 in its rear-view mirror; 2) high inflation, which means rising interest rates; and 3) the war in Ukraine and the accompanying humanitarian crisis, with its impact on the global economy in the short term, as well as its significant impact on the geopolitics of the future. These factors will likely have a meaningful effect on the economy over the next few years and on geopolitics for the next several decades.

I should remind the reader that we normally do not worry about- or even try to predict- normal fluctuations of the economy. In all times, we are prepared for difficult markets and severe recessions, as well as for unpredictable events, not only to survive them but also provide a pillar of support to our borrowers when they need us the most.

In today's economy, the people are in excellent financial shape (on average), with controlled leverage and plentiful jobs with wage increases. But we must recognize that the account balances in lower-income households, smaller to begin with, are going down faster and that the income for those households is not keeping pace with rising inflation.

During FY 2021 and FY 2022, many aberration happened in our industry: Wage growth accelerated dramatically, particularly in low-income jobs. We should not be unhappy that wages are going up- and that workers have more choices and are making different decisions- in spite of the fact that this causes some difficulties for business. Housing prices surged during the pandemic, and asset prices remained high, some, in my view, in bubble territory.

Inflation soared to 7%; while clearly some of this rise is transitory due to supply chain shortages, some is not, because higher wages, higher housing costs, and higher energy and commodity prices will persist. All these factors will continue in FY 2023, driving further growth as well as continued inflation. One additional point: Consumer confidence and consumer spending have diverged dramatically. The drop in consumer confidence may be in reaction to ongoing fatigue from the pandemic shutdown and concerns over high inflation. Persistent inflation will require rising interest rates and a massive but necessary shift to quantitative tightening.

The Reserve Bank of India and the Government did the right

thing by taking bold dramatic actions following the misfortune unleashed by the pandemic. In hindsight, it worked.

I do not envy the RBI for what it must do next; If the RBI gets it just right, we can have years of growth, and inflation will eventually start to recede. In any event, this process will cause lots of consternation and very volatile markets. The RBI should not worry about volatile markets unless they affect the actual economy. A strong economy trumps market volatility.

This is in no way traditional RBI tightening- and there are no models that can even remotely give us the answers. I have always been critical of people's excessive reliance on models- since they don't capture major catalysts, such as culture, character and technological advances. The data will likely continue to be inconsistent and volatile- and hard to read.

One thing the RBI should do, and seems to have done, is to exempt themselves- give themselves ultimate flexibility- from the pattern of raising rates and doing so on a regular schedule. And while they may announce their intentions, they should be free to change this plan on a moment's notice. In any case, rates will need to go up substantially. The RBI has a hard job to do, so let us all wish them the best.

The massive change in the flow of funds triggered by RBI tightening is certain to have market and economic effects that will be studied for decades to come. Our company is prepared for drastically higher rates and more volatile markets.

The war in Ukraine and the sanctions on Russia, at a minimum, will slow the global economy- and it could easily get worse.

The effects of geopolitics on the economy are harder to predict. For as much attention as it gets, geopolitics over the past 50 years has rarely disrupted the global economy in the short run. However, it's important to point out that while past geopolitical events often did not have short-term economic effects, they frequently had large, longer-term consequences.

Russian aggression is having another dramatic and important result: It is coalescing the democratic, Western world- across Europe and the North Atlantic Treaty Organization (NATO) countries to Australia, Japan and Korea. The United States and the West realize that there is no replacement for strong allies and strong militaries. The war can affect geopolitics for decades. How the West comports itself, and whether the West can maintain its unity, will likely determine the future global order and shape India's (and its allies') important relationships.

The Reserve Bank of India and the Government did the right thing by taking bold dramatic actions following the misfortune unleashed by the pandemic. In hindsight, it worked.

## Competitive Threat

The growing competition of banks amongst each other, NBFCs and fintechs is intensifying. How did Paisalo perform during the recent COVID-19 crisis?

Paisalo performed magnificently during the COVID-19 crisis. In FY 2021-22, we provided credit totalling INR 16,343 million for customers and businesses of all sizes, helping them fund normal operations.

Within days of realizing COVID-19 was a pandemic that would virtually close large parts of the world's economies, the Indian government moved with unprecedented speed.

Yes, of course, it is true that large government actions dramatically helped individuals, companies (including NBFCs) and the economy overall. But it is also true that NBFCs performed magnificently during the COVID-19 crisis. They extended a huge amount of credit, waived fees and postponed debt repayment, and were at the forefront of delivering loans to small businesses.

While the Indian government's actions were a benefit to the whole economy, including the banking industry, banks and NBFCs were more than able to weather the terrible financial storm while setting aside extensive reserves for potential future loan losses.

Banks around the world are already engaged in tough competition with each other. A quick review of the numbers shows the phenomenal size of nonbanks- from lending companies and fintechs to exchanges and Big Tech- that compete with traditional banks, in providing certain financial services. Last year alone, \$130 billion was invested in fintech lenders like Paisalo, allowing them to speed things up- and at scale.

The pace of change and the size of the competition are extraordinary, and activity is accelerating. Properly regulated NBFCs like Paisalo are meant to protect and enhance the financial system. They are transparent with regulators, and they strive mightily to protect the system from terrorism financing and tax evasion as they implement know your customer (KYC) and anti-money laundering laws. They also help customers- from protecting their data and minimizing fraud and cyber risk to providing financial education- and must abide by social requirements, such as Financial Inclusion of Micro Markets, which requires NBFCs to extend their services into lower-income communities.

NeoBank's and FinTech's, have it easier as they do not

have to abide by certain regulatory or social requirements. Other start-up companies providing banking-type services have lakhs of accounts that hold consumer money, process payments, access bank accounts and extensively use and may distribute customer data. I can go on and on, but suffice it to say, we must be prepared for this trend to continue until these companies are brought under the Regulatory scanner.

It seems unlikely to me that all the banks and NBFCs will thrive as they strive to take share from each other over the next decade. You should expect to see some winners and lots of casualties. I would expect to see this going forward in two primary ways-

1. Banks and NBFCs will partner up under the Co-Lending guidelines released by RBI on 05 November 2020; and
2. Many mergers among India's NBFCs and Fintechs- they need to do this, in some cases, to create more economies of scale to be able to compete.

Banks and NBFCs need to acknowledge the dramatically changing competitive landscape.

If they want to compete in this new and increasingly competitive world, they need to acknowledge the truth of this new landscape and respond appropriately.

As they adopt new technologies like cloud, artificial intelligence (AI) and digital platforms, NBFCs have an advantage in being able to leverage their large customer base to offer increasingly comprehensive products and services, often at no additional cost. While many fintech companies specialize in one area, you already see many others moving in this direction- trying to deepen and broaden their client relationships. Paisalo offers numerous services to our customers- many of which, depending on the product and customer relationship, are at no additional cost to the company. The principle is the same- constantly invest and innovate to ensure our future prosperity.

As we have highlighted in previous letters, we cannot overemphasize how cyber threats pose extreme hazards to our company and our country. This has become even more evident as the cost of ransomware has increased dramatically. And it is evident to everyone, with the war in Ukraine, that grave damage could be inflicted if cyber is widely used as a tool of war. We believe that our company has some of the best cyber protections in place, as well as the best talent to monitor and guard our information. We also work extensively, and increasingly, with the appropriate agencies to Audit our system on regular intervals.

Properly regulated NBFCs like Paisalo are meant to protect and enhance the financial system. They are transparent with regulators, and they strive mightily to protect the system

## Understanding the Community

We need to consider the unique needs of communities across the country more thoughtfully. Companies of all sizes need to show up, listen, and make the right investments and decisions to earn a neighborhood's trust. Impact is most effective when it is local.

A local bank branch, especially in a low-income neighborhood, can be successful only when it fits the community's needs. That is why over the last several years we have shifted our approach to how we offer access to financial education, as well as low-cost lending products and services, to help borrowers by making Paisalo truly Available-Aware-Affordable; especially in Unbanked Rural Centres.

We are delivering this approach through our High Tech-High Touch Model branches, unique spaces in the heart of semi-urban and rural communities. We have opened 174 branches across 10 states as Q1 FY23. These branches host grassroots community events, small business mentoring sessions and financial health seminars.

The Branch Manager, a role within Paisalo, primarily functions as a local ambassador to build and nurture relationships with community leaders, women entrepreneurs and small businesses. We have now hired over 138 Branch Managers in underserved communities and intend to keep growing that number. Our Branch Managers have hosted more than 45,000 financial events with over 450,000 people participating. We want people who live and work in these communities to feel welcomed and included when they visit our branches. We ask them to come as they are and bring the family.

I have attended many openings of our branches. The energy is vivacious. We have hosted community leaders and small business customers who have shared their sense of pride and optimism about what these branches mean for their community. Our Branch employees are always at the front and at the center of these events, connecting people to one another and forging new relationships.

We know that to be sustainable, this effort must be measured by results. Our company is closely tracking the number of loan accounts opened, the number of borrowers funded, the pace and scale of new small business loans extended, and a host of other metrics to ensure that we are achieving results and listening to feedback so we can have even greater impact.

Being the Lender of choice for all is our goal—and we want everyone to feel welcomed here and be able to contribute to our core mission to the best of their ability.

Today, in many places COVID-19 has moved from pandemic to endemic status, although there is still suffering in some parts of the world. And we are cognizant that the risk of new variants is real and that if they occur, we will need to take appropriate action.

As a company, while we continually prepare for multiple business resiliency scenarios (e.g., data center failures, closures of cities & major storms), we never fully prepared for a pandemic that entailed a large-scale shutdown of the global economy. Although some of our employees, particularly in the branches, continued to work on our premises every day, we quickly set up the technology- ranging from call centers and operations banking- that enabled many of our employees to work from home. We learned that we could function virtually with Zoom and Teams and maintain productivity, at least in the short run.

Although the pandemic changed the way we work in many ways, for the most part it only accelerated ongoing trends. While it's clear that working from home will become more permanent in Indian business, such arrangements also need to work for both the company and its clients. Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Virtual world. Since the onset of COVID-19, Paisalo has hired new people into the company- and we are making sure they are properly trained on all aspects of our business, from their special role to the significance of conduct and culture.

Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Virtual world. Since the onset of COVID-19, Paisalo has hired new people into the company — and we are making sure they are properly trained on all aspects of our business, from their special role to the significance of conduct and culture.

## Management Lesson

Great management and leadership are critical to any large organization's long-term success, whether it is a company or a country. Strong management is disciplined and rigorous. You can never do enough, and it does not end. But creating an exceptional management team is an art, not a science. Consider our most important investment: our people, who in accounting terms are not even considered an asset. But we all understand the value of building a great team.

Personally and professionally, I am motivated by the desire to leave the world a better place- if I do my job well, this company can do so much for individuals, shareholders, communities, India and humanity. I am motivated when I see our customers and employees in action, knowing there is increased opportunity for each of them when we do better as a company.

Work, all work, has value. It was a beautiful thing during the onset of COVID-19 when we celebrated our essential workers, including nurses, firefighters, emergency medical service staff, sanitation workers and police officers. They were always essential workers, and they appreciated our recognition. Along the same lines, some in society diminish Unbanked Rural Communities and low-income activities, such as animal husbandry, papad making, agarbatti making, fast food cooks and others. These 'starter' jobs bring dignity, provide security for many families and create a solid work ethic. Often, they result in better social outcomes in terms of reduction in crime. For many, these jobs are the first rung on the career ladder, leading to bigger and bigger jobs. For example, more than 95% of fruit and vegetable kiosk owners started as street hawkers.

To maximize human creativity and freedoms- trust is essential. Trust is the force multiplier that gets the best out of everyone. You do not earn trust if you finger-point, do not admit to your own mistakes or do not share the credit.

A couple of important things:

1. You don't create a winning team by pandering to individuals.
2. You must deal with conflict immediately, directly and forthrightly- problems do not age well.
3. Bring energy and drive- not just every day- but to every meeting and interaction.
4. Sharing credit, recognizing the contributions of others, and not finger-pointing all are critical to earning trust.
5. Retaining your best talent is essential.
6. All companies have turnover in staff, and all turnover is not necessarily bad.
7. No one likes to feel that they are being taken advantage of- everyone wants to go home each day thinking they are treated fairly and equitably.
8. We also recognize and ask our employees to take care of their mind, body, spirit, soul, friends and family. We try to constantly remind them to give the needed time and attention to what they cherish most.
9. And, lastly, everyone has their own needs in terms of family, income, work-life balance and other factors.

## I N C L O S I N G

I would like to express my deep gratitude and appreciation to the Paisalo workforce and their families. From this letter, I hope our shareholders and all readers gain an appreciation for the tremendous character and capabilities of our people and how they have helped clients and communities. They have faced these times of adversity with grace and fortitude. I hope you are as proud of them as I am.

Finally, we sincerely hope that all the citizens and countries of the world see an end to this terrible pandemic, see an end to the war in Ukraine, and see a renaissance of a world on the path to peace and prosperity.

**Sunil Agarwal**  
Managing Director and CEO



# Mission and Vision

PAISALO believes in breaking barriers & limitations to create a positive difference & value for our stakeholders beyond traditional boundaries of doing business.

India definitely remains as a sweet spot for investors as there is huge potential for growth; and we are committed to our stakeholders to add value by questioning status quo, challenging current practices and thereby creating opportunities.

We are in a constant search of knowledge and keep on asking ourselves. Can we come up with a better way?

At PAISALO, our belief of overcoming limitations has continually inspired us to work towards raising our own benchmark.

PAISALO has always emerged a winner by coming up with its OWN WAY—a sustainable and better way. aims to be Available–Aware–Affordable

## Apna Kal Badlo



Borrower Name: Rekha Devi  
Kind of work: General Store  
Period of Business: 5 Years  
Spouse Name: Gira Kumar Bharti  
Daughter: Manisha, Priti

मैं Rekha Devi w/o Gira Kumar Bharti छत्तरपुर गाजीपुर की रहने वाली हूँ। मेरे पास एक छोटी सी किराना की दुकान थी, दुकान छोटी होने के कारण आय कम होती थी। जिससे परिवार का पालन पोषण में बहुत समस्या आती थी। इसी दौरान मेरी सखी सहेली के द्वारा पैसालो डीजीटल लिमिटेड के बारे में पता चला जो बहुत ही कम ब्याज दर पर महिलाओं का समूह बनाकर ऋण प्रदान करती है। हम लोग कंपनी के कार्यकर्ता से संपर्क करके 6 लोगों का समूह बनाकर ऋण लिए। मुझे कंपनी से 45,060 रुपये का ऋण मिला जिसे मैंने किराना की दुकान में लगाया। आज बहुत ही अच्छे से मैं अपने परिवार का पालन पोषण करते हुए कंपनी की समय से नियम पूर्वक किस्त भी चुकता कर रही हूँ। मैं ईश्वर से यही प्रार्थना करूँगी की मेरे जैसे और भी जरूरतमंद लोगों तक ये सुविधा पहुँचे और साथ ही साथ कंपनी भी दिन दूनी रात चौगुनी तरक्की करे।

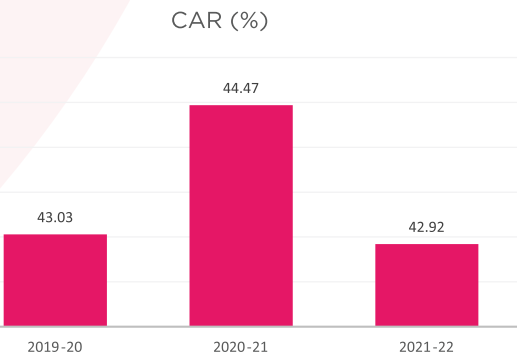
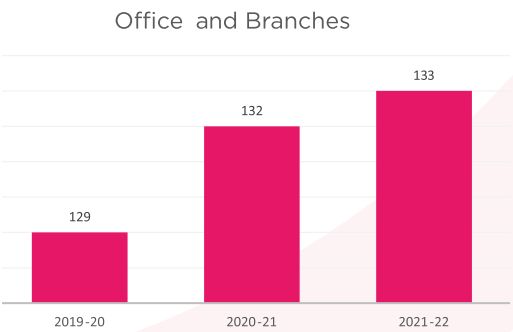
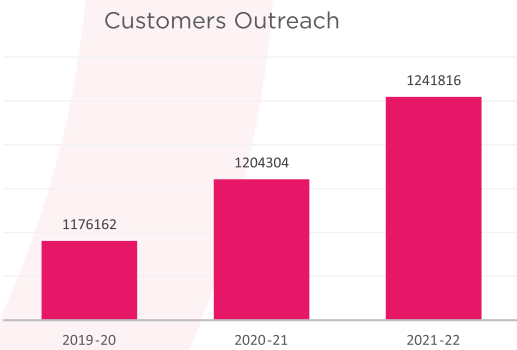
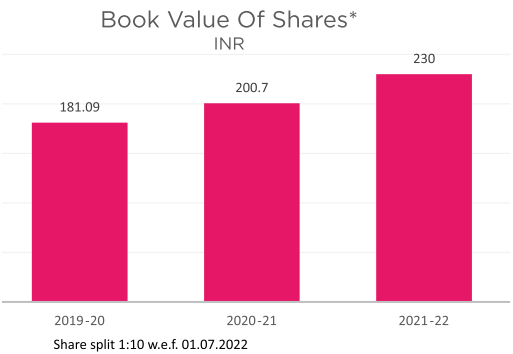
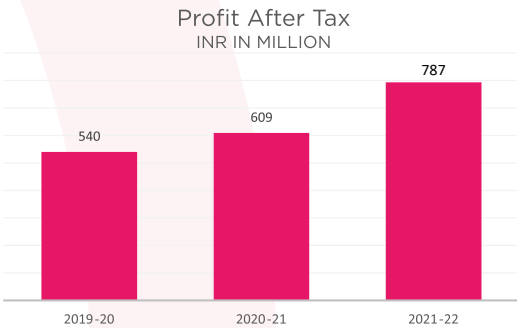
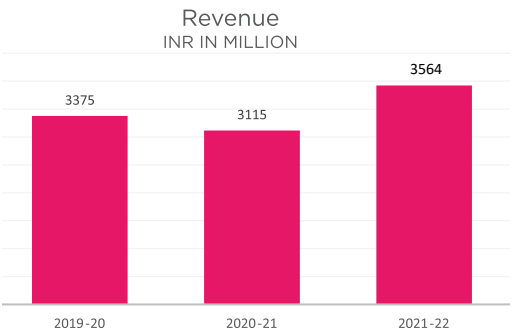
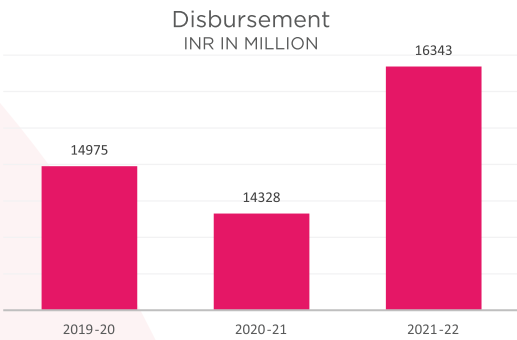
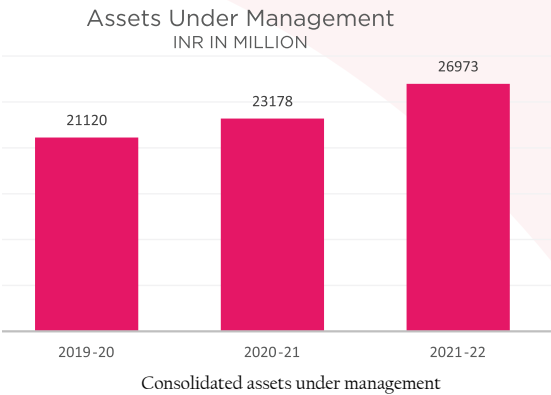
Borrower Name: Kushma Devi  
Spouse Name: Santosh Kumar  
Kind of work: Bangles Manufacturing  
Period of Business: 4 Years  
Son: Aman and Lakshaman



मैं कुशमा देवी पत्नी संतोष कुमार, ग्राम-अंगदपुर, मकखनपुर की रहने वाली हूँ। मेरे परिवार में अर्थिक तंगी होने के कारण हम बहुत ही परेशानी में थे जिसके कारण हम परिवार का भरण पोषण नहीं कर पा रहे थे। उस समय किसी ने भी हमारी मदद नहीं की। फिर एक दिन पैसालो परिवार के एक सदस्य हमारे गांव आये। जिनके द्वारा हमको पैसालो कम्पनी के बारे में पता चला। फिर हम ने समूह द्वारा तीस-तीस हजार रुपए प्राप्त किये। पहले मैं किसी के यहाँ मजदूरी करने जाती थी अब उन पैसों से मेने अपने घर पर चूड़ी का कार्य शुरू किया अब हमारा परिवार बहुत खुश है और अच्छा मुनाफा भी पा रहा है।

जब हमारी किसी ने मदद नहीं की तब पैसालो परिवार हमारे साथ खड़ा था। हम पैसालो परिवार के हम बहुत आभारी है।

# Company at a Glance





# 10 Year Financial Highlights

₹ in million											
S. No.	Parameters	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Portfolio	9590.00	8710.00	9612.10	9969.40	12618.40	14902.88	16977.80	17249.81	19345.56	23482.71
2	Revenue from Operation	2190.00	2080.00	1783.80	1933.70	2495.20	2736.70	3177.39	3374.51	3115.48	3563.98
3	Profit after Tax	704.46	562.50	445.15	451.31	512.91	598.49	567.71	540.39	576.38	787.14
4	Provision for Tax	334.50	279.00	221.90	234.70	259.00	543.79	588.31	780.90	662.86	930.06
5	Cash Accruals	729.70	606.40	508.10	505.00	570.30	615.84	614.52	580.52	613.68	819.43
6	Bad Debts w/o Net	202.90	235.00	196.50	142.10	323.50	346.50	488.61	653.18	353.24	363.60
7	Bad Debts w/o on Loans o/s	2.12	2.70	2.04	1.43	2.56	2.33	2.88	3.79	1.83	1.55
8	Bad Debts Recovered	37.60	26.80	40.60	83.90	112.50	146.60	367.09	384.05	111.84	120.32
9	Net Worth	4334.00	4849.70	5144.10	5051.40	5524.00	6038.60	6558.74	7603.20	8618.83	10240.91
10	Total Assets	12476.90	10601.00	11119.40	12930.50	15337.00	18534.00	19525.00	20684.20	22943.94	25492.63
11	Outside Debt	5896.90	6108.90	4711.50	7750.10	9714.90	12970.00	13496.40	13738.21	14814.13	15988.88
12	Bank Borrowings	3741.2	3866.90	4104.00	5071.80	5975.50	7785.00	7418.60	7983.01	7286.72	9588.01
13	Deposits	–	–	–	–	–	–	–	–	–	–
14	Inter-corporate Loans	625.00	1693.00	454.10	271.80	170.30	141.10	37.78	331.33	550.85	1102.43
15	Other Outside Liabilities	1530.70	549.00	153.40	148.00	121.60	67.40	444.26	96.81	198.32	143.48
16	Debt to Equity Ratio (TOL/ATNW)	1.36	1.26	0.92	1.53	1.76	2.15	2.06	1.81	1.72	1.46
16(a)	Debt Equity Ratio	NA	NA	NA	NA	NA	0.25	0.38	0.45	0.63	0.65
17	ROE (%)	16.25	11.60	8.65	8.93	10.89	9.91	8.66	7.15	7.07	7.69
18	ROA (%)	5.65	5.31	4.00	3.49	3.79	3.23	2.91	2.61	2.66	3.09
19	No. of Branches and Office	10	10	20	22	49	66	112	129	132	133
20	No. of Customers	562000	610000	655000	710000	770000	879000	1045000	1176162	1204304	1241816

# ESG

## AT A GLANCE

### Decent Work and Economic Environment

<b>Revenue</b> 3,922 Mn	<b>EBITDA</b> 2944.62 Mn	<b>PAT</b> 793 Mn
<b>RoA</b> 3.09%	<b>RoE</b> 7.78%	<b>Employment Generation</b> 1322

### Industry, Innovation and Infrastructure

<b>Centralized Process, Real Time Credit Credential and Character Check</b>	<b>Innovative Financial Lending Product and Service</b>
<b>States</b> 10	<b>Branch Network</b> 133
<b>Small and Medium Businesses Helped</b> 63,000	<b>Digital platform in</b> 2,125 Pincodes

### Gender Equality

**Women Customers**  
4,84,512

### Reduced Inequalities

**Customer Serviced**  
12,41,816

### Peace, Justice and Strong Institutions

**Board of Directors**  
150 years experience

### Good Health and Well being

**Independent Directors**  
6

### Climate Action

**Paper Consumption**  
Minimal  
**Cashless Disbursement**  
100%

### Responsible Consumption and Production

**Sourcing and Servicing**  
Digital Process  
**Cashless Collection**  
92%

At PAISALO, we are very conscious that accelerated growth in our businesses cannot come at the cost of deteriorating environment, social inequality or unfaithful governance . We remain deeply committed to reducing our environmental footprint and creating positive social impact, while upholding the highest standards of governance and stakeholder returns. With sustainable and responsible growth being the future of business growth, we are making necessary changes to embrace all or some parts of ESG in the upcoming financial years.

Demonstrating trust and integrity in everything we undertake is a reflection of our broader commitment to governance. Our ESG reflects our responsibility to clients, shareholders and the communities in which we operate.

## 1. SOCIAL

### REDUCE POVERTY

Paisalo provides income-generation loans to both first-time borrowers and existing credit history holders, as well as conducts financial literacy programs to help borrowers take better financial decisions of managing and growing their funds.

### REDUCE HUNGER

Paisalo, by helping borrowers through financial literacy programs, is able to reduce hunger in families as Paisalo team teaches borrowers about adequate utilisation of funds.

### INCREASE GENDER EQUALITY

Paisalo encouraged 4,84,512 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000

### ECONOMIC GROWTH AND DECENT WORK

- ◆ Contributed to the national agenda of job creation by financially empowering enterprises and individuals
- ◆ Employment and growth opportunities to over 1,284 employees across over 133 offices
- ◆ Low Attrition Rate-1.82%

### WOMEN ENTREPRENEURS AND BUSINESSES

- ◆ Encouraged 4,84,512 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000
- ◆ Encouraged 63,000 small businesses, enterprises and entrepreneurs across the North Indian

### REDUCE INEQUALITY

- ◆ Empowered and promoted the social and economic inclusion of women and youth
- ◆ Financial inclusion for 4,84,512 women from diverse communities by providing them with credit

## 2. GOVERNANCE

### MANAGEMENT, EMPLOYEES, SHAREHOLDERS AND REGULATORS

### REGULATORS

Continuously striving to maintain and achieve the highest standards of legal and regulatory compliance and effective management, aimed at providing maximum value to the shareholders through a robust corporate governance framework.

### PARTNERS

- ◆ Maintaining open and fair business dealings with our partner ecosystem.
- ◆ Training and sensitizing partners on competing fairly and keeping borrower interests at the primary front at all times.

### EMPLOYEES

- ◆ Due diligence during on-boarding to ensure a harmonious value system.
- ◆ Informing employees on the Group Policies such as Code of Conduct, Insider Trading, Information Security, Communications among others to build responsible work ethics.

### INVESTORS AND CLIENTS:

- ◆ Identifying the conflict of interest situations and making full disclosures with complete integrity.
- ◆ Monitoring anti-bribery and corruption with regular risk assessments, and training employees to be able to recognize, avoid and report any potential instances.

### PEACE, JUSTICE AND STRONG INSTITUTIONS

- ◆ Board of Directors ensure effectiveness & accountability
- ◆ A well balanced and rich board with over 150 years of experience
- ◆ 6 independent directors have oversight on subsidiary and head strategic committees

## 3. ENVIRONMENT

### ONGOING INITIATIVES:

### AFFORDABLE AND CLEAN ENERGY

- ◆ Energy consumption through energy efficient LED lighting across all offices
- ◆ Relying on natural lights as much as possible
- ◆ E-waste management aimed towards recycling and reuse.

### RESPONSIBLE CONSUMPTION

- ◆ Practice sustainable management and efficient use of natural resources for a cleaner environment.
- ◆ 100% cashless disbursements
- ◆ 92% cashless collection
- ◆ Minimal paper consumption

### REDUCE WATER CONSUMPTION

- ◆ Water obtained from rainwater harvesting and recycling initiatives at PAISALO Registered Office; installed smart water dispensers and smart water meters.